

## **Company Establishment in Turkey**

Overall, this article will explore the company establishment in turkey and establishment of a company in Turkey under the Turkish regulatory framework. The present work is designed as a handbook for investors including foreigners. The establishment of a corporation in line with law involves a set of legal steps that must be followed by relevant foreign or national entrepreneurs.

### **What are the Main Legal Instruments Applicable to the Establishment of a Company in Turkey?**

[Turkish Commercial Code \(Numbered 6102\)](#) is the most central legislation enforceable to founding a company in Turkey. In the light of the company type, [Turkish Code of Obligations \(Numbered 6098\)](#) and [Turkish Civil Code \(Numbered 4721\)](#) are also applicable to the Turkish company law under Article 126 of Turkish Commercial Code.

### **Do companies have a legal personality?**

Under Article 125 of Turkish Commercial Code, commercial companies have legal personality. To clarify, A company shall acquire a legal personality upon registration with the Trade Registry according to the Turkish Commercial Code. Therefore a company is accepted to be a separate legal person. That necessarily follows that all commercial companies may benefit from all rights and undertake debts within the framework of Article 48 of the Turkish Civil Code. Besides, those who conduct transactions and enter into commitments on behalf of the company before registration may be personally and successively held responsible for these transactions and commitments.

### **Can Foreigners Open a Company in Turkey?**

Can Foreigners Open a Company in Turkey? "Foreigners can establish companies in Turkey. To register a company in Turkey for foreigners, the law numbered 4875 came into effect in 2013, granting foreign investors the same rights as Turkish citizens.

Owing to enactment of Foreign Direct [Investment Law](#) (Numbered 4875), the difference between foreign or national investors were eradicated under Turkish legal system in 2013. Presently, it is important to underline that foreign investors shall be subject to equal treatment with domestic investors. Besides, the principles and standards enumerated in Turkish Commercial Code facilitate foreign-led companies in Turkey.

## Which Type Of Company To Incorporate In Turkey

Which type of company to incorporate in Turkey? **You can establish five types of companies in Turkey.** According to Article 42 and 43 of the Turkish Commercial Code collective company, comandite company, cooperative company, limited company, joint stock company five main company types can be formed.

## How Can I Register a Company in Turkey?

How can I register a company in Turkey? Above all, it is critical to take into account that the incorporation procedures can be carried out electronically through the Central Registry System (MERSİS). Markedly, the absence of any hassle in the formation process is of great significance in attracting foreign investments to Turkey. What is very attractive is that the establishment of a single-shareholder joint stock company or single-member limited liability company is allowed under Turkish Commercial Law. Let us remind you that our office's expert lawyers will be more than happy to assist you in establishing a company in Turkey.

## How to Establish a Company in Turkey?

How to establish a company in Turkey? To summarize, investors should take a number of actions in the formation of a company. Duly preparation, performance and submission of paperwork concerned is critical for the below-mentioned requirements. Common requirements reads as follows for company establishment in Turkey:

- Preparation and signature of the company contract by founders,
- Preparation and approval of the signature declarations of company officials,
- Payment of Competition Authority share and cash capital,
- Relevant documents submission and the completion of the registration of the company by the Trade Registry.

## What are Taxation Liabilities for Companies in Turkey?

In general, companies are subject to a standard corporate income tax rate of 20% except for finance-centric companies including banks paying 25%.

You can also read the following articles as they are related to the topic.

- [Taxation of Remote Workers in Turkey](#)
- [Tax Guide in Turkey](#)

## **Is Share Transfer Possible Onstead of the Establishment of a Company for Foreigners?**

It is of course possible to make an investment through the acquisition of shares rather than establishing a company directly. That is the case for both alien or local investors.

## **What Are The Steps In The Liquidation Process?**

A company may terminate in case the realization of any of the reasons for termination stipulated at the law, and in line with the decision of the shareholders. There are two main types of liquidation: “compulsory” and “voluntary”. It requires a termination process of a legal entity. The Enforcement and Bankruptcy Code (Numbered 2004) is at the heart of this process. The main objective of the liquidation process is to sell the assets of the company and convert the assets of the involved company into money, collect their receivables, and pay debts. Article 536 of Turkish Commercial Code stipulates that the liquidation start-up, the appointment and announcement of Liquidator must be registered.

## **Company Registration in Turkey**

The first step in the process of company establishment in Turkey is company registration. This involves choosing the type of company you wish to establish, such as a Joint Stock Company (A.Ş.) or a Limited Liability Company (LTD. ŞTİ.). The registration process includes:

- **Choosing a Company Name:** Ensure the name is unique and not previously registered.
- **Preparing Required Documents:** This includes the articles of association, identification documents for shareholders, and other necessary paperwork.
- **Registering with the Trade Registry Office:** Submit all required documents to the local Trade Registry Office.
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## **Company Formation in Turkey**

Company formation in Turkey involves more than just registration. It includes setting up the operational aspects of the business. Key steps include:

1. **Opening a Bank Account:** Essential for capital deposit and future transactions.

2. **Obtaining a Tax Identification Number:** Necessary for tax purposes and financial operations.
3. **Registering for Social Security:** Mandatory for hiring employees.
4. **Obtaining Required Licenses and Permits:** Depending on the business activity, additional licenses may be required.

## Company Incorporation in Turkey

Company incorporation in Turkey is the legal process that formalizes the establishment of your company. It involves:

1. **Drafting and Notarizing the Articles of Association:** Legal document that outlines the company's structure and regulations.
2. **Depositing the Minimum Capital Requirement:** Depending on the type of company, a certain amount of capital must be deposited.
3. **Submitting Incorporation Documents to the Trade Registry:** Includes the notarized articles of association, proof of capital deposit, and other required documents.

## Establishing a Company Lawyer in Turkey

Engaging a lawyer specialized in company establishment in Turkey can significantly streamline the process. A lawyer can assist with:

1. **Legal Documentation:** Ensuring all documents comply with Turkish laws and regulations.
2. **Navigating Bureaucracy:** Handling interactions with various governmental bodies.
3. **Advising on Business Structure:** Providing insights on the best type of company for your business goals.
4. **Ongoing Legal Compliance:** Assisting with compliance and regulatory requirements post-establishment.

## Opening a Company in Turkey

Opening a company in Turkey involves practical considerations beyond legal formalities. Important factors include:

1. **Choosing a Physical Location:** Securing an office or facility that meets your business needs.
2. **Hiring Staff:** Understanding labor laws and hiring practices in Turkey.
3. **Setting Up Operations:** Establishing operational processes and systems for day-to-day business activities.

## Conclusion

Company establishment in Turkey offers numerous opportunities for businesses looking to expand into a vibrant and growing market. By understanding the key steps of company registration, formation, incorporation, and leveraging the expertise of a specialized lawyer, you can navigate the process smoothly and set up a successful business in Turkey. Whether you're looking to start a small enterprise or a large corporation, Turkey provides a conducive environment for growth and success.

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